



GYROSCOPE CAPITAL MANAGEMENT GROUP

DYNAMIC BETA

Q2 2020



ABOUT GYROSCOPE

OUR PHILOSOPHY

At Gyroscope we believe a structured investment process, driven by data, results in an efficient portfolio and provides our clients with robust, risk managed solutions.

OUR NAME

A gyroscope provides stability and maintains reference direction in navigation systems, automatic pilots, and stabilizers. We chose the name Gyroscope because we are committed to building stability for our clients' capital.

OUR FOCUS

We are driven to create risk managed solutions, offering concentrated, highly structured portfolios designed to compete in complex markets.



FIRM OVERVIEW

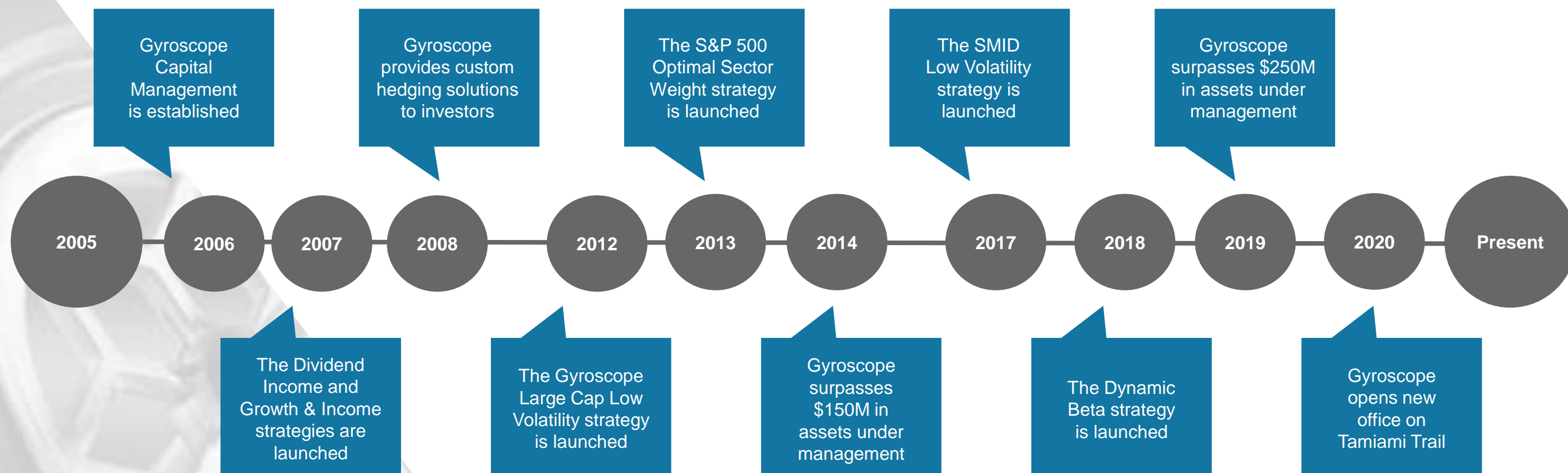
- **RISK MANAGEMENT SPECIALISTS**
- **LOW VOLATILITY AND EQUITY INCOME SOLUTIONS FOR INDIVIDUALS & INSTITUTIONS**
- **12+ YEAR HISTORY OF PROVIDING FOCUSED PORTFOLIOS**
- **APPROXIMATELY \$285MM IN AUM AS OF 12.31.19 ADV**
- **SEC REGISTERED INVESTMENT ADVISER***
- **GYROSCOPE CLAIMS COMPLIANCE WITH THE GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®)**
- **RECEIVES VERIFICATION FROM ACA****
- **BASED IN NAPLES, FLORIDA**

* SEC registration does not constitute an endorsement of Gyroscope Capital by the Commission nor does it indicate that Gyroscope Capital has attained a particular level of skill or ability.

**Gyroscope Capital Management Group claims compliance with the Global Investment Performance Standards (GIPS®). Please refer to the disclosures on page 19-21 for more information on verification.



GYROSCOPE THROUGH THE YEARS



“Since day one, Gyroscope has been dedicated to bringing the best of portfolio construction—quantitatively implemented and actively monitored—to our investors.”

Michael J. Egan, President, Gyroscope



THE GYROSCOPE DIFFERENCE

WE ARE QUANTAMENTAL MANAGERS

We combine the best aspects of quantitative analysis and fundamental review in our portfolio management.

WE ARE ACTIVE MANAGERS

We believe our investment process adds value through the construction of concentrated portfolios.

WE PLACE AN EMPHASIS ON MANAGING RISK

It's in our screening, our research process, and portfolio management.

WE BELIEVE IN THE IMPORTANCE OF INCOME

Income can provide a cushion to volatility in the marketplace.

WE SEEK TO AVOID BIAS IN OUR PORTFOLIOS

We are not thematic investors—we are data driven.



HOW WE INVEST

**SOLUTION
DEFINITION**

**PORTFOLIO
PARAMETERS**

**DYNAMIC
SCREENING/
SCORING**

**INVESTMENT
SELECTION**

**MONITORING &
REBALANCING**

LOW VOLATILITY

Focus on low volatility stocks with low beta, enhanced through dynamic screening, seeking to maximize upside capture and to minimize downside capture.

EQUITY INCOME

Offering both value and growth strategies, focused on income and supported by covered call premiums on individual issues.



GYROSCOPE SOLUTIONS

SOLUTION	CATEGORY	FORMAT	BENCHMARK	CONCENTRATION
Large Cap Low Volatility	Low Volatility	SMA, UMA	S&P 500 Total Return Index	30-40 Securities
SMID Low Volatility	Low Volatility	SMA, UMA	S&P 1000 Total Return Index	30-40 Securities
Dividend Income	Equity Income	SMA	CBOE S&P 500 BuyWrite Index	20-40 Securities
Growth & Income	Equity Income	SMA	CBOE S&P 500 BuyWrite Index	20-40 Securities
S&P 500 Optimal Weight	Equity Income	SMA	CBOE S&P 500 BuyWrite Index	11 Securities



MEET THE TEAM



MICHAEL J. EGAN CFP®, CIMA® **PRESIDENT, CIO**

Mr. Egan is the Founder and President of Gyroscope Capital Management Group. His principal duties include oversight of firm operations, investment management and client engagement. Prior to Gyroscope Capital, Mr. Egan founded and managed the Corporate and Executive Services Group at Legg Mason as well as structuring and executing swap and derivative transactions totaling over \$8 billion for Fortune 50 companies at American Express/Lehman Brothers. Mr. Egan holds a Bachelor of Arts degree in Economics from the College of William and Mary, a Masters degree in Economics from New York University, and an MBA from Duke University. He is also a graduate of the London School of Economics and Political Science's General Course Program.



ROBERT M. CARR CIPM **LEAD PORTFOLIO MANAGER, HEAD TRADER**

Mr. Carr joined Gyroscope Capital Management Group in 2008. Mr. Carr has been a Lead Portfolio Manager and Senior Trader since 2010 and has been instrumental in the development of the underlying multi-factor models and option overlay. Mr. Carr also developed and implemented the Large Cap Low Volatility, S&P 500 Optimal Weight and Optimized Listed Option strategies on behalf of Gyroscope Capital Management Group. Mr. Carr also acts as a member of the Investment Committee and serves as Gyroscope's GIPS Compliance Officer and Chief Operations Officer. Mr. Carr received a Bachelor of Science degree in Chemical Engineering from the University of Florida and a Master of Business Administration degree from Florida Gulf Coast University.



MEET THE TEAM



SARAH H. WOLF **SENIOR VICE PRESIDENT, SALES & MARKETING**

Ms. Wolf has acted on Gyroscope's Investment Committee since 2010. Previously, Ms. Wolf worked for Legg Mason's Equity Hedge Group as Director of Client Service with responsibility for coordinating all the team's services for individual and corporate clients. She joined Legg Mason from Chesapeake Bank and Trust, where she acted as liaison between the bank's trust and brokerage areas and consulted on special projects. Ms. Wolf received a Bachelor of Arts degree from Washington College and completed the Hansard Scholars Programme in Parliamentary and Public Policy Studies at the London School of Economics.



FIRM PARTNERS



Bloomberg



Dinsmôre





S&P 500 OPTIMAL WEIGHT PROFILE

TARGETS ALPHA AT MARKET EXPOSURE

The Dynamic Beta strategy seeks to outperform the S&P 500 Total Return Index on both absolute and risk-adjusted bases while maintaining 'average' market exposure (historic market beta near one) by investing in a dynamically-levered basket of low volatility U.S. large cap equities.

COMMITMENT

Michael Egan, the President of Gyroscope, has traditionally invested a notable percentage of personal assets into the Dynamic Beta Strategy in addition to investments in all other Gyroscope Capital model portfolio strategies.

TRANSPARENCY

Gyroscope Capital claims compliance with the Global Investment Performance Standards (GIPS®). Also, Gyroscope Capital's Portfolio Managers make themselves available to articulate the investment process and answer advisor/investor questions.

TEAM & PROPRIETARY MODEL

A team of investment and business professionals, complimented by a proprietary stock selection model, who take a "quantamental" (the combination of quantitative and fundamental investment styles) approach to unlock value.



DYNAMIC BETA STRATEGY

THE DYNAMIC BETA STRATEGY INVESTS IN THE COMMON STOCK OF CONSTITUENTS OF STANDARD & POOR'S 500 INDEX COMPONENT COMPANIES WITH A MARKET BETA LESS THAN ONE

With consideration given to a 12-month price volatility and current dividend yield. The strategy always remains sector neutral and all eleven GICS sectors are represented.

IN AN EFFORT TO MAINTAIN MARKET EXPOSURE, THE STRATEGY INVOLVES A DYNAMIC AMOUNT OF LEVERAGE THAT IS ADJUSTED MONTHLY.

The long-only beta of the strategy is typically materially lower than the broad market (the S&P 500 serves as a market proxy.)

A HISTORIC THREE-YEAR MARKET BETA IS USED TO CALCULATE THE AMOUNT OF LEVERAGE NECESSARY TO TARGET A STRATEGY BETA OF ONE.

To maintain this level of market exposure, the amount of leverage applied is evaluated and adjusted monthly based on the debt-to-equity level of the Strategy and changes in long-only strategy beta.



DYNAMIC BETA PHILOSOPHY

THE DYNAMIC BETA STRATEGY WAS LAUNCHED AS A RESULT OF INTERNAL CONVERSATIONS RELATED TO GYROSCOPE'S CAPITAL U.S LARGE CAP LOW VOLATILITY STRATEGY.

Since its inception on 1/1/2012, the Low Vol Strategy has exploited one of the best-documented and widely-recognized market anomalies and, in doing so, achieved favorable risk-adjusted performance relative to the S&P 500 Total Return Index.

THE LOW VOLATILITY STRATEGY INVESTS IN 30 S&P 500 CONSTITUENTS WITH RELATIVELY-LOWER CORRELATION TO THE BROAD MARKET AND RELATIVELY-LOWER VOLATILITY.

As a result, the Strategy has historically had a low trailing three-year market beta with market-like returns (i.e the strategy has generated alpha).

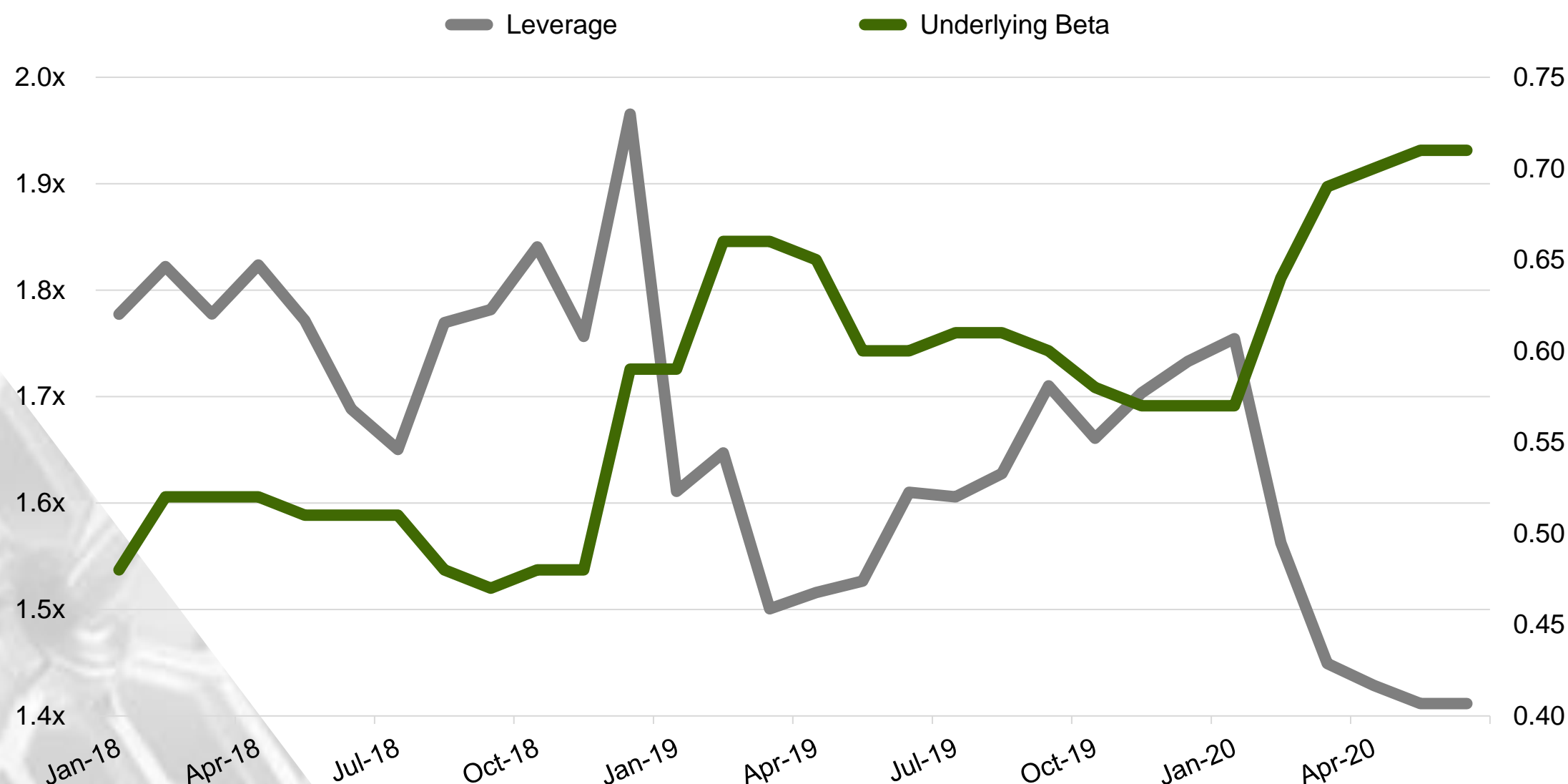
A HISTORIC THREE-YEAR MARKET BETA IS USED TO CALCULATE THE AMOUNT OF LEVERAGE NECESSARY TO TARGET A STRATEGY BETA OF ONE.

To maintain this level of market exposure, the amount of leverage applied is evaluated and adjusted monthly based on the debt-to-equity level of the Strategy and changes in long-only strategy beta. During strategy performance reviews, Gyroscope Capital's managers explored the idea of leveraging the Low Volatility strategy to target market exposure (historic beta of one) in an attempt to outperform the S&P 500 Total Return Index without subjecting the Strategy to the same magnitude of extreme drawdowns associated with other "fully-levered-to-riskier-stocks strategies). Shortly after exploring the efficacy of the concept, Gyroscope Capital President Mike Egan seeded the strategy with \$1 million of his personal capital. Thus, the Dynamic Beta strategy was born to leverage the Low Volatility Strategy's investment process and offer unique and dynamic exposure to the S&P 500.



SINCE INCEPTION DYNAMIC LEVERAGE

As of 6/30/2020



The graph above illustrates the inverse relationship between the market exposure (beta) of the underlying equities and the amount of leverage applied to target a beta of one. When the market sensitivity of the holdings increases, the amount of leverage applied is lowered. Similarly, when the market declines precipitously, the Assets/Equity ratio increases and the amount of leverage applied is lowered. These forces often work in tandem to signal that the leverage ratio should be lowered after market declines and raised after market advances.

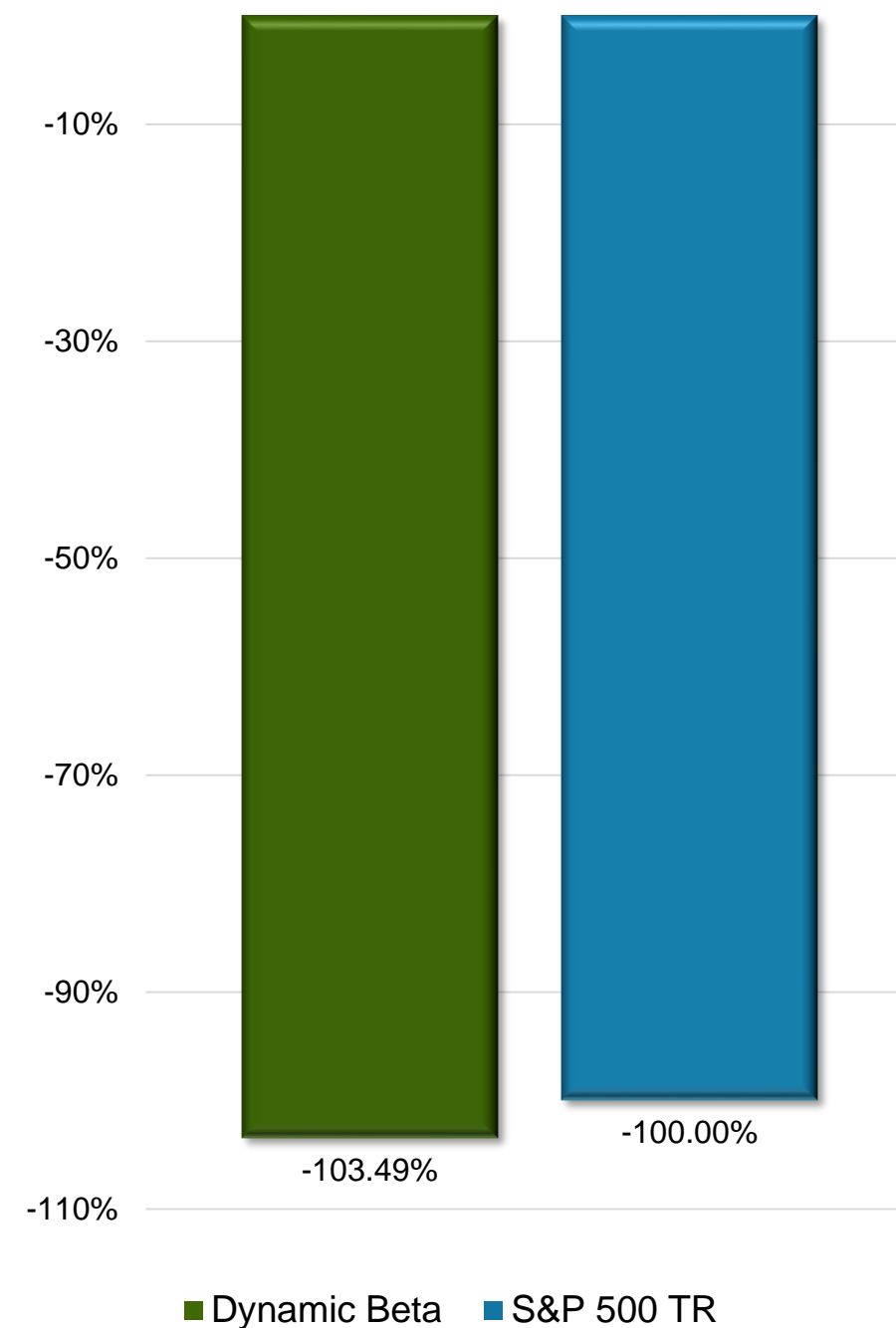


DYNAMIC BETA DOWNSIDE CAPTURE ITD

Downside Capture Ratios measure the relative performance of a strategy by comparing monthly returns during down months to a representative benchmark. A ratio less than one indicates that a strategy outperformed during down months.

Conventional logic would indicate that a levered strategy will routinely underperform the market during declines in the S&P 500. However, the Dynamic Beta strategy is levered to more-defensive low volatility stocks, not the S&P 500.

DOWNSIDE CAPTURE*



*Capture Ratios calculated using gross returns relative to the S&P 500 Total Return Index since the Dynamic Beta Strategy's Inception on 1/1/18 (as of 6/30/20)

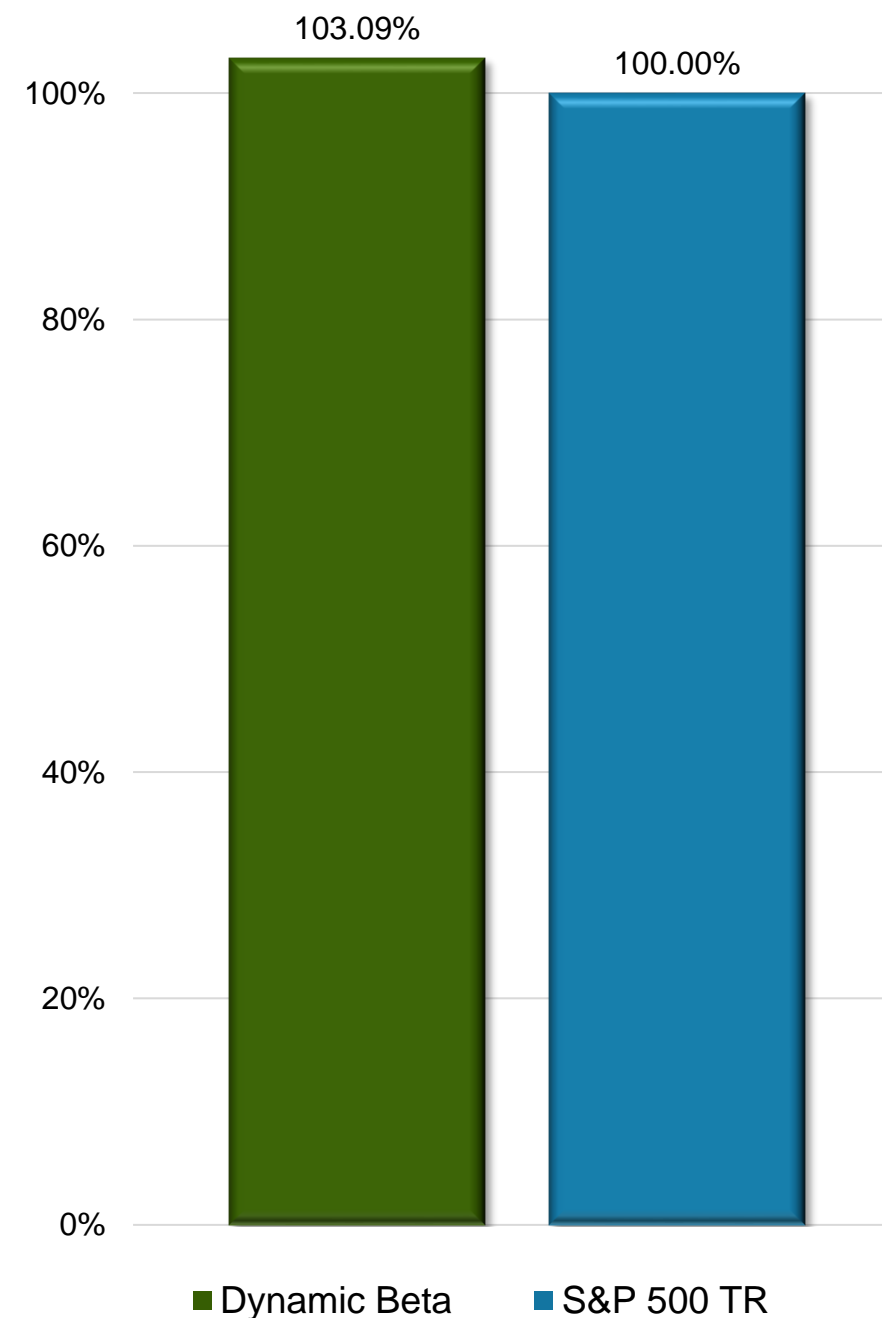


DYNAMIC BETA UPSIDE CAPTURE ITD

Upside Capture Ratios measure the relative performance of a strategy by comparing monthly returns during up months to a representative benchmark. A ratio greater than one indicates that a strategy outperformed during up months.

The underlying holdings of the Dynamic Beta strategy typically lag the S&P 500 during strong market advances. However, the leverage inherent in the Strategy increases the exposure to the market so that the Strategy is better able to keep pace with market advances.

UPSIDE CAPTURE*

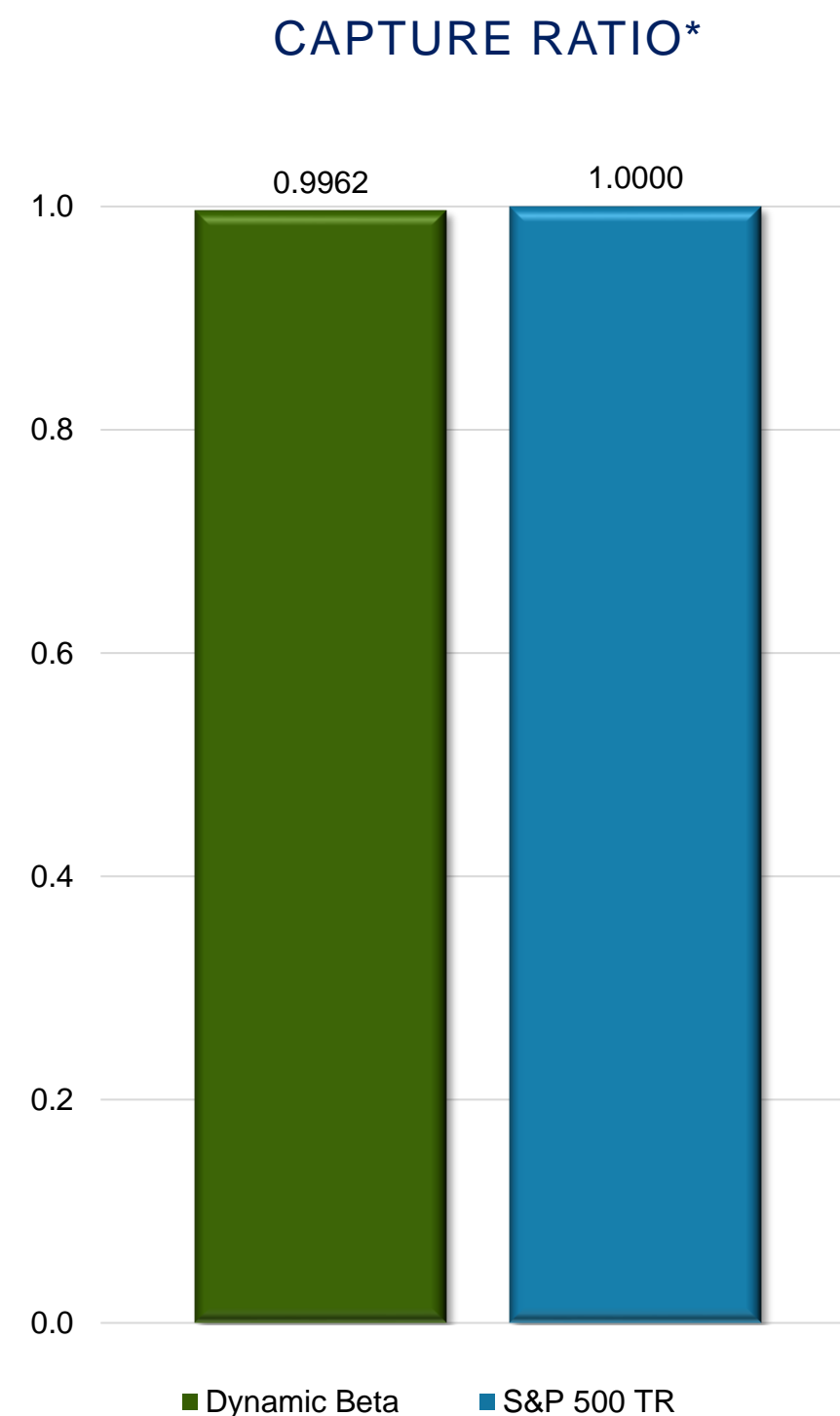


*Capture Ratios calculated using gross returns relative to the S&P 500 Total Return Index since the Dynamic Beta Strategy's Inception on 1/1/18 (as of 6/30/20)



DYNAMIC BETA CAPTURE RATIO ITD

A strategy's Capture ratio can be found by dividing a strategy's upside capture ratio by its downside capture ratio. A capture ratio greater than one is generally favorable as it indicates that the strategy tends to participate more in upward movements than downward movements on a relative basis.



*Capture Ratios calculated using gross returns relative to the S&P 500 Total Return Index since the Dynamic Beta Strategy's Inception on 1/1/18 (as of 6/30/20)



DYNAMIC BETA CHARACTERISTICS & RETURNS

As of 6/30/2020

	DYNAMIC BETA PORTFOLIO	S&P 500 TR INDEX
Median Market Cap.	\$46.41B	\$21.33B
Since Inception Beta (vs. S&P 500 TR)	1.07	1.00
P/E Ratio (Trailing)	34.05	23.17
Number of Stocks	30	506
Indicated Div. Yield (Asset Level)	2.33%	1.90%
TTM Div. Yield (Equity Level)	4.92%	N/A

	DYNAMIC BETA PORTFOLIO	S&P 500 TR INDEX
Since Inception Upside Capture	103.09%	100%
Since Inception Downside Capture	103.49%	100%
Since Inception Sharpe Ratio (0%r.f)	0.34	0.45
Since Inception Treynor Ratio (0%r.f)	7.13	8.23
Since Inception Standard Dev.	23.02%	18.20%
Since Inception Max Drawdown	-28.23%	-19.60%

ANNUALIZED RETURNS						
	Since Inception 1/1/2018	YTD	1 YR	2 YR	2018	2019
Dynamic Beta (Gross of Fees)	7.86%	-12.39%	-4.17%	11.77%	-1.45%	39.93%
Dynamic Beta (Net of Effective Avg. Fee) [†]	6.07%	-13.05%	-5.69%	9.94%	-3.21%	37.66%
S&P 500 Total Return Index	8.23%	-3.08%	7.51%	8.95%	-4.38%	31.49%

[†] Performance is net of a proposed advisory fee of 1.00% assessed on assets under management.

The information supplied on this page is supplemental to the compliant presentation. Please see important disclosures and definitions on pages 19-21.

Past performance is not indicative of future results.



DYNAMIC BETA COMPOSITE

Annual Composite Performance Results							
Year End	Year End	Total Firm Assets (millions)	Composite Assets (USD) (millions)	Number of Accounts	Gross Return	Net Return	S&P 500 TR Index
2019	2019	283.3	1.37	1	39.93%	39.93%	31.49%
2018	2018	229.3	\$0.98	1	-1.47%	-1.47%	-4.38%

Gyroscope Capital Management Group, LLC ("GCMG", "Gyroscope", "Gyroscope Capital", "Gyroscope Capital Management Group") is an investment advisory firm located in Naples, FL. Prospective clients and other interested parties can obtain a copy of the Compliant Presentation for the Dynamic Beta composite by contacting Robert Carr by phone at 239-219-0550 or by email at rcarr@gyroscopicapital.com.

Gyroscope Capital Management Group, LLC ("GCMG") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. GCMG has been independently verified for the periods 10/1/2007 to 12/31/2018.

Dynamic Beta Composite includes all portfolios that invest in our Dynamic Beta strategy which uses a dynamic leverage instrument to target a beta of 1 versus the S&P 500 and for comparison purposes is measured against the S&P 500 Total Return Index. The minimum account size for this composite is \$500,000. The Dynamic Beta Composite was created July 10, 2019. Composite inception is 1/1/2018. The S&P 500 Total Return Index is an appropriate benchmark for the Dynamic Beta Composite. The S&P 500 Total Return Index is a domestic equity index consisting of 500 stocks representing approximately 75% of the total U.S. equity market focusing on the large-cap sector of the U.S. equities market. It is the type of equity index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Returns are a composite of accounts invested in the Dynamic Beta Strategy. To be included in the composite, a client's portfolio must have at least 90% of the account value invested in the Strategy. Return calculations use accrual basis accounting. Portfolio return calculations and valuations are based on trade settlement date.

No derivatives, or short positions have been used in this composite. The strategy does use leverage which is rebalanced monthly based on the 3-year beta of our Large Cap Low Volatility strategy versus the S&P 500. Leverage is limited to not exceed a Debt to Assets ratio of 0.8182 and will be reduced during the monthly rebalance if it exceeds this level.

The U.S. Dollar is the currency used to express performance.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification examination reports are available upon request.

The portfolios' value may diminish at any time due to adverse market conditions. Past performance is not indicative of future returns. Returns are presented gross and net of fees and include the reinvestment of all income. Gross returns are stated gross of all fees for separately managed accounts (but not transaction costs and interest) and gross of all fees for wrap accounts; net returns are expressed as the gross fee minus any applicable management fee.

Total firm assets and composite assets reflect net assets (inclusive of leverage used).

The Investment Committee uses equity research provided by several institutions, including but not limited to Wells Fargo Securities LLC, Standard & Poor's Financial Services LLC, Credit Suisse Group

The investment management fee schedule for separately managed clients is 100 bps. Actual investment advisory fees incurred by clients may vary.



IMPORTANT DISCLOSURES

Gyroscope Capital Management Group (GCMG) is an investment adviser located in Naples, FL. GCMG only transacts business in states where it is properly registered or in compliance with applicable state regulations. Individualized responses that involve actual or contemplated securities transactions or the rendering of personal investment advice for compensation will not be made absent compliance with all applicable investment adviser regulation requirements. Please contact the sender if there are any questions.

Illustrations used in this document are hypothetical. The results achieved by individual clients will vary and will depend on a number of factors including the particular underlying investments and their dividend yield, option market liquidity, interest rate levels, implied volatilities, and the client's expressed return and risk parameters at the time the service is initiated and during the term. Investors should carefully consider executing any trade using options and be aware of all the risks, including, but not limited to, receiving back less value than they invested. Past performance is not a guarantee of future returns.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed and is not a complete summary of all available data. GCMG does not provide legal, tax or accounting advice and the information contained herein should not be construed as such. This marketing piece is not intended for the giving of investment advice to any single investor or group of investors and no investor should rely upon or make any investment decisions based solely upon the contents of the piece. Clients should confer with a professional prior to investing.

Taxes, fees and commissions do have a direct and material impact on the options strategies, may reduce the effectiveness of some strategies, and may result in the investor not achieving his or her investment objectives. The examples presented above do not take into account the tax consequences or the impact on holding period. Investors should always seek professional tax advice before engaging in any of these strategies. You should consult your financial or tax advisor for more information. GCMG does not provide tax advice.

Cash flow is not guaranteed over any period. More information may be found on GCMG's Form ADV.

Options trading is not suitable for all investors. Contact Gyroscope Capital Management Group, LLC ("GCMG") at 4851 Tamiami Trail N, Suite 200, Naples, FL 34103 or visit <http://www.cboe.com/Resources/Intro.aspx> for a current options disclosure documents, "Characteristics and Risks of Standardized Options." This document discusses potential risks with options issued by the Options Clearing Corporation ("OCC"), which are typically listed on an exchange.

This illustration of potential cash flow from a covered call option writing program is not based on an actual portfolio. Covered call option cash flow for any portfolio will vary depending on actual portfolio positions, option premium received, individual stock price volatility, and general stock market volatility. Positions covered by call options may be called away, creating realized capital gains or losses. There can be no guarantee that the owner of the call option will not exercise prior to GCMG's attempt to repurchase a sold option. Cash flow is not guaranteed over any period. More information may be found on GCMG's Form ADV.

If the price of the stock declines by an amount greater than the premium received the position will have point-for-point loss. Therefore, this strategy should not be employed if you believe the price will decline considerably in value.

If the price of the stock increases by an amount greater than the strike price, the investor will forgo any price appreciation above the strike price. Therefore, this strategy should not be employed if you believe the price will increase considerably in value.



GLOSSARY OF TERMS

Risk – the chance that an investment's actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment. Different versions of risk are usually measured by calculating the standard deviation of the historical returns or average returns of a specific investment. A high standard deviation indicates a high degree of risk. <http://www.investopedia.com/terms/r/risk.asp>

Volatility – a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security. <http://www.investopedia.com/terms/v/volatility.asp>

Beta – a measure of a security's or portfolio's volatility. A beta of 1 means that the security or portfolio is neither more nor less volatile or risky than the wider market. A beta of more than 1 indicates greater volatility and a beta less than 1 indicates less. Beta is an important component of the Capital Asset Pricing Model, which attempts to use volatility and risk to estimate expected returns. <http://financial-dictionary.thefreedictionary.com/Beta>

Standard Deviation - a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance. In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility. Standard deviation is also known as historical volatility and is used by investors as a gauge for the amount of expected volatility. <http://www.investopedia.com/terms/s/standarddeviation.asp>

Up-Side Capture Ratio – a statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. <http://www.investopedia.com/terms/u/up-market-capture-ratio.asp>

Down-Side Capture Ratio – a statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. <http://www.investopedia.com/terms/d/down-market-capture-ratio.asp>

Maximum Drawdown – the maximum loss from a peak to a trough of a portfolio, before a new peak is attained. Maximum Drawdown (MDD) is an indicator of downside risk over a specified time period.

<http://www.investopedia.com/terms/m/maximum-drawdown-mdd.asp>



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